

Executive Registry
77-4663/1

20 April 1977

C. 38.2

MEMORANDUM FOR: Mr. Knoche ✓

Mr. Carey  
Mr. Hetu

SUBJECT : DCI's Statement to SSC on Open Budget

1. In response to Admiral Turner's 9 April 1977 memorandum to me, the attached draft statement has been prepared. It is very little changed from the Admiral's original draft.

2. Request you provide any comments or suggestions on this statement directly to me by telephone if possible. My intention is to incorporate your suggestions in a follow-on draft which he can look at Thursday evening (21 April 1977).



Commander, USN

Attachment  
As Stated

(~~EXCLUDED FROM RELEASE~~ C-38.2)

~~CONFIDENTIAL~~

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20 April 1977

Senate Select Committee

## Draft Intelligence Budget Testimony

1000, 27 April 1977

Mr. Chairman, Gentlemen. When I appeared before you in February of this year for confirmation, I said that I was inclined to favor releasing the Intelligence Community's aggregate budget figure, but that I would like to study the question further before committing myself. I have since had that opportunity and am prepared to recommend that a single, inclusive budget figure be made public subject to several extremely important qualifications which I would like to discuss.

The techniques of intelligence collection and analysis change with time and technology. The intelligence budget accurately reflects these changes. Over time it can reveal to any interested observer our areas of interest and the technologies on which we depend most. From such information they would know where they should place emphasis in countermeasures and effectively nullify any advantage we might have. The detailed intelligence budget in the hands of our enemies would be a powerful weapon which would make further collection more difficult, more hazardous to life, and much more costly. The way we spend our intelligence money in this country is one of our necessary secrets.

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At the same time, we are a free and open society. It is appropriate that our citizens be kept well informed of the activities of their government. They are in fact, the best oversight body in the prevention of any possible excesses of governmental action. The public's right to understand the workings of our intelligence processes is a part of their being adequately informed of our governmental process.

Some compromise then is necessary between the risks of giving the enemy an unnecessary advantage over us and of protecting the basic openness of our society. Accordingly, President Carter has directed that I release to you and to the public, the overall budget of the U.S. Intelligence Community. For fiscal year 1978, as the Director of Central Intelligence, I have requested of the Congress of the United States, \$\_\_\_\_\_.

Let me explain precisely what that figure includes. It includes the budget of the CIA and also those portions of other Government agencies' budgets which are devoted exclusively to intelligence. Clearly there are many related activities in other Departments, especially the DOD, which make some contributions to intelligence. For instance, the military airplane flying on a training mission may well be able, as a collateral function, to collect some intelligence.

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-3-

Or, carried to the extreme perhaps, a corporal on lookout duty with binoculars could be called an intelligence collector. The expense of such operations as these are not included in the intelligence budget for which I am responsible. Basically, the dividing line is whether we fund the activity for the primary purpose of intelligence collection or analysis or whether it is funded for another purpose and we derive collateral intelligence benefits from it.

Finally, I must mention the limitations which must prevail on additional information concerning this budget figure. There will be a natural and understandable tendency on the part of the press and the public to want a detailed breakdown of this budget figure. This we cannot do either by the deliberate release of additional figures or by comments on the composition or character of the intelligence budget. It is here that, regrettably, we must draw the line between openness and necessary secrecy. Were we to disclose further details of this budget figure, we would expose the areas of emphasis and expertise regarding collection and analysis of intelligence and, over time, trends in such emphasis would become obvious. This would jeopardize the interest of our country more than the additional information would benefit it. The people of the country can be assured, however, that we are sharing with their representatives

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in Congress the details of this breakdown fully. Hence, our response to further inquiries on the budget in the public forum must simply be "no comment." I am formally directing members of the Intelligence Community to so respond to all such inquiries.

I recognize that this new policy of disclosure of a single figure, and only a single figure, is a major break with tradition. It is not one without risk. I know that you gentlemen of this committee will fully understand the importance of this new openness, but at the same time, appreciate the necessity of rigidly limiting our disclosure to this single figure.

STANSFIELD TURNER  
Admiral, USN

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77-4663

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9 April 1977

MEMORANDUM FOR:

I agreed with Senator Inouye on 8 April 1977 that I would appear before the Senate Select Committee at 1000 on 27 April (Room 407) as the first witness in a hearing on whether or not the intelligence budget should be made public. The Senator told Bill Miller to arrange for TV coverage.

Please prepare a draft testimony for me to give, coordinating carefully with the info addressees of this memo. The general thrust of what I have in mind is:

The way we spend our money on intelligence in this country is one of our necessary secrets. The techniques of collecting and analyzing intelligence change with time and technology. If the details of our intelligence budget were revealed, those against whom we are collecting intelligence could decipher from our areas of emphasis, where they should be placing emphasis in countermeasures. From such information they would be able to nullify our advantage where it exists, and deny us opportunities that we presently have.

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-2-

At the same time, we are a free society. We appropriately place high emphasis on keeping our citizens well informed of the activities of their government so that the citizen body is, in fact, the best oversight to any possible excesses of governmental action. The public's right to understand the workings of our intelligence processes is a part of their being adequately informed of our governmental process.

Therefore, some compromise is necessary between the risks of giving the enemy necessary advantage over us and of protecting the basic openness of our society. Accordingly, President Carter has directed that I release to you and to the public, the overall budget of the U.S. Intelligence Community. For fiscal year 1978 we have requested of the Congress of the United States, the amount of \$\_\_\_\_\_.

Let me explain precisely what that figure includes. I am presenting that figure in the capacity as Director of Central Intelligence, not as the Director of Central Intelligence Agency. Thus, this figure is/one, which as Director of Central Intelligence I present and defend to the Congress. It includes the budget of the CIA, but it also includes portions of the budget of those other agencies in the Government that have intelligence functions. Within those other budgets, what is included in this figure are those activities which are exclusively intelligence in nature. Clearly there are many related activities especially in the DOD which make some contributions to intelligence. For instance, the military airplane flying on a training mission may well be able as a collateral function, to collect some

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intelligence. Or carried to the extreme perhaps, a corporal on lookout duty with binoculars could be called an intelligence collector. These expenses of such operations as these, are not included in the intelligence budget for which I am responsible. Basically, the dividing line is whether we fund the activity for a primary purpose of intelligence collection or analysis or whether we fund it for another purpose and derive collateral benefits for intelligence from it.

Finally, I must mention the limitations which must prevail on additional information concerning this budget figure. There will be a natural and understandable tendency on the part of the press to the public, to want to obtain detailed breakdown of this budget figure. This we cannot do either by the deliberate release of additional figures or by comments on the composition or character of intelligence budget. It is here that we regrettably must draw the line between openness and necessary secrecy. Were we to disclose further details of this budget figure, we would expose the areas of emphasis and expertise with which we collect and analyze our intelligence and over time we would indicate trends in such emphasis. It is my view that this would jeopardize the interest of our country more than the additional information would benefit it. The people of the country can be assured, however, that we are sharing with their representatives in the Congress the details of this breakdown fully. Hence, our response to further inquiries in public form must simply be "no comment" and I am formally directing members of the Intelligence Community to so respond to all such inquiries.

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I recognize that this new policy of disclosure of a single figure, and only a single figure, is a major break with tradition. It is not one without risk. I know that you gentlemen of this committee will fully understand the importance of this new openness, but at the same time, appreciate the necessity of rigidly limiting our disclosure to this single figure.

*ST*

cc: DDCI

DCI/IC

[REDACTED]  
Mr. Herb Hetu

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Executive Registry

77-583/12

George

C. 38.2  
and  
DC

Tab B is a very  
narrow, unexpecting list  
of intelligence gaps. Plo  
check with IC Staff,  
Comptroller and DD1.  
Believe we can do better.

Date 4/26/77

FORM 101 USE PREVIOUS  
5-75 EDITIONS

C-38.2

ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Executive Registry

77-583/11

FROM:

George L. Cary  
Legislative Counsel

EXTENSION

NO.

DATE

22 April 1977

TO: (Officer designation, room number, and building)

DATE

RECEIVED

FORWARDED

OFFICER'S  
INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1.

D/DCI/IC

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DDCI

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On the Questions and Answers for the Senate Select Committee on Intelligence which followed your nomination hearing, there were only two questions for which your answers were classified in toto.

The Senate Select Committee on Intelligence staff has now asked if these answers could be revised and declassified so as to be able to appear as a part of the hearing transcript.

Under Tab A, please find Question D 2 b with the original classified answer and our proposed unclassified revision. NIO, source of the original answer, did the revision.

Under Tab B, please find Question D 1 c, for which we believe there cannot be an unclassified version.

If you approve, we shall send the revised unclassified answer to Question D 2 b to the Senate Select Committee on Intelligence for inclusion with the other questions and answers in the hearing transcript, while advising that we cannot provide an unclassified D 1 c.

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Tab A

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SUGGESTED UNCLASSIFIED ANSWER

D.2.b. What should be the role of the intelligence agencies in net assessment?

ANSWER: The role of intelligence agencies should be to conduct:

- comprehensive net assessments on two or more foreign nations.
- Soviet-U. S. net assessments to estimate the capability of Soviet weapon systems, to determine Soviet technical requirements and to identify trends and estimate the implications of Soviet programs.

Intelligence agencies should continue to participate in a variety of U. S. -Soviet net assessments conducted by the DoD. The role of the Intelligence Agencies should be to provide the intelligence data and insights necessary for these assessments.

Intelligence organizations should not make comprehensive net assessments of the U. S. -Soviet military balance; for example, the capabilities of the two sides to damage each other in a nuclear war now and in the period ten years hence. Such assessments are highly dependent on scenarios for war initiation, U. S. operational plans and tactics and the success of future U. S. programs. Nor should intelligence conduct comprehensive U. S. -Soviet net assessments of the overall "correlation of forces," involving all military and non-military aspects of national power.

SUGGESTED UNCLASSIFIED ANSWER

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Tab B

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CONFIDENTIAL  
THE DIRECTOR OF CENTRAL INTELLIGENCE  
WASHINGTON, D. C. 20505

Executive Registry
77-583/C

OLC: 77-0717/a  
14 April 1977

*Summary of -  
complete package  
in ~~case~~ DCI*

Honorable Daniel K. Inouye, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D. C. 20510

Dear Mr. Chairman:

Enclosed are those few answers to the questions you  
submitted to me by your letter of 28 February 1977, R6616,  
which require classification. They are classified Confidential.

Yours sincerely,

SIGNED

STANSFIELD TURNER  
Admiral, U.S. Navy

Enclosure

Distribution:

Original - Addressee w/enc.

- 1 - DCI w/enc.
- 1 - DDCI w/o enc.
- 1 - ER w/enc.
- 1 - OLC Subject w/enc.
- 1 - OLC Chrono w/o enc.

THIS LETTER IS UNCLASSIFIED  
WHEN ENCLOSURE IS REMOVED

*C-38.2*

CONFIDENTIAL

The Director of Central Intelligence

Washington, D.C. 20505

Executive Registry

77-583/B

OLC: 77-0717/a

14 April 1977

Honorable Daniel K. Inouye, Chairman  
Select Committee on Intelligence  
United States Senate  
Washington, D.C. 20510

*Summary of  
complete package  
in ~~encl~~ DCI*

Dear Mr. Chairman:

Enclosed are my answers to the questions you submitted to me by your letter of 28 February 1977, R6616, for inclusion in the record of my nomination hearing before the Senate Select Committee on Intelligence on 22 February 1977.

The few answers which require classification are being sent in a supplementary classified letter and have been cited in the unclassified enclosure.

You will note that some of my answers are tentative and that I have deferred on others, until I have had an opportunity to thoroughly examine the matters raised. I would add that some of my views may change over time.

I look forward to discussing these and other matters with the Committee in the course of our future association. I shall do my best to make that association close and fruitful, as it must be to serve the interests of the President, the Committee, the Intelligence Community, and my office in meeting our separate and mutual responsibilities to the country.

Yours sincerely,

SIGNED

STANSFIELD TURNER  
Admiral, U.S. Navy

Enclosure  
Distribution:

Original - Addressee w/enc. Approved For Release 2004/03/23 : CIA-RDP80M00165A000600140002-2

1 - DCI w/enc., DDCI w/o enc., ER w/enc.

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Executive Registry

77-583/10

FROM:

George L. Cary  
Legislative Counsel

EXTENSION

NO.

DATE

4 April 1977

STAT

TO: (Officer designation, room number, and building)

DATE

OFFICER'S INITIALS

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

RECEIVED

FORWARDED

1.

D/DCI/IC

4/15/77

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Forwarded herewith are suggested answers to questions submitted by the SSCI supplementing those asked at your confirmation hearing. The answers were prepared in consultation with the offices most concerned with the subject matter of the questions.

Incorporated are your own answers to questions D 1, D 2 d, D 3, and with some revision, E 3 a. The office which prepared the major portion of a particular answer is noted in the right hand margin.

We are sending copies of the complete questions and answers to each Morning Meeting Member as we forward this to you.

Since several of the questions touch upon the interests of the President and the NSC, you may wish to review the questions and answers with the White House, before sending them to Chairman Inouye.

When you have approved the answers, we will prepare them in final form for your signature.

(Over)

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UNCLASSIFIED CONFIDENTIAL SECRET

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EXECUTIVE SECRETARIAT

Routing Slip

ates Senate

ON INTELLIGENCE

100, 84TH CONGRESS)

D.C. 20510

February 28, 1977

IN REPLY PLEASE  
REFER TO R6616

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X (for Adm. Turner)		
2	DDCI		X		
3	D/DCI/IC		X		
4	DDS&T				
5	DDI				
6	DDA				
7	DDO				
8	D/DCI/NI				
9	GC				
10	LC	X			
11	IG				
12	Compt				
13	D/Pers				
14	D/S				
15	DTR				
16	Asst/DCI				
17	AO/DCI				
18	C/IPS				
19	DCI/SS				
20					
21					
22					

SUSPENSE

Date

Remarks:

Please develop response for review with  
Admiral Turner.

Executive Secretary

1 March 1977

Date

3637 (7-76)

ENCLOSURE

Inouye

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C-38.2

WILLIAM G. MILLER, STAFF DIRECTOR

SELECT COMMITTEE ON INTELLIGENCE

(PURSUANT TO S. RES. 400, 94TH

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February 28, 1977

IN REPLY PLEASE  
REFER TO R6616

Admiral Stansfield Turner  
Central Intelligence Agency  
Washington, D.C. 20505

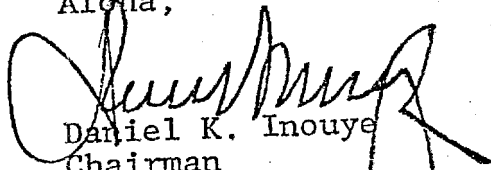
Dear Admiral Turner:

As I indicated to you at your nomination hearing, the Members of the Committee would like you to answer some additional questions which I am enclosing. We plan to publish the questions and your answers as part of the hearing record.

The Committee would like unclassified answers to all the questions. However, if full and complete answers to any questions require the provision of classified information, please identify the questions and answer them in a supplementary classified letter.

The Committee appreciated your forthright testimony. I congratulate you once again on your appointment and confirmation, and we look forward to working with you.

Aloha,

  
Daniel K. Inouye  
Chairman

Enclosure

C-38.2